

INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE
ALCOHOL AND TOBACCO TAX DIVISION

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DELIVERIES OF TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES, WITHOUT PAYMENT OF TAX, FOR USE AS SEA STORES, AFTER ALASKA FORMALLY BECOMES A STATE

Manufacturers of tobacco products and cigarette papers and tubes and proprietors of export (including sea stores) warehouses:

Purpose. The purpose of this industry circular is to advise you of a recent ruling concerning deliveries of tobacco products and cigarette papers and tubes, without payment of tax, for use as sea stores on vessels and aircraft engaged in trade between ports in Alaska and other ports in the United States, after Alaska formally becomes a State of the Union by Presidential proclamation.

Background. Request for a ruling was made because existing regulations in 26 CFR (1939) 141.1 [Article 1, Regulations 76] provide, in part, that tobacco products and cigarette papers and tubes may be delivered, without payment of tax, for use as sea stores on vessels operating on a regular schedule in trade between one customs great district of the United States and another customs great district thereof. Such regulations also provide that such articles may be delivered, without payment of tax, for use as sea stores on aircraft operating on a regular schedule in trade between one customs great district of the United States and another such great district, when the schedule requires operation outside the jurisdiction of the internal revenue laws of the United States. The regulations in 26 CFR (1939) 141.2 [Article 2, Regulations 76], state that customs great districts include, first, the seacoast between the northern boundary of the State of Maine and the southern boundary of the State of Texas; second, the island of Puerto Rico; third, the seacoast between the southern boundary of the State of California and the northern boundary of the State of Washington; fourth, the Territory of Alaska (underlining supplied); and, fifth, the Territory of Hawaii.

Substance of Ruling. When Alaska formally becomes a State, the reference to the Territory of Alaska will be construed as a reference to the State of Alaska, and, under existing regulations in 26 CFR (1939) Part 141 [Regulations 76], tobacco products and cigarette papers and tubes may continue to be delivered, without payment of tax, for use as sea stores beyond the jurisdiction of the internal revenue laws on vessels and aircraft operating on a regular schedule in trade between any port in the State of Alaska and any other port in the United States outside of Alaska.

Inquiries. Inquiries regarding this circular should refer to its number and be addressed to the office of your assistant regional commissioner (alcohol and tobacco tax).



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